

Medicare and the Kentucky Governmental Employee

MEDICARE		HEALTH INSURANCE	
SOCIAL SECURITY ACT			
NAME OF BENEFICIARY JOHN D. DOE			
MEDICARE CLAIM NUMBER 123-45-6789A		SEX MALE	
IS ENTITLED TO HOSPITAL INSURANCE (PART A) MEDICAL INSURANCE (PART B)		EFFECTIVE DATE 1/1/95	
SIGN HERE →			

Kentucky governmental employees earn medicare coverage by performing services in medicare-covered positions. Most Kentucky public employees are covered for full social security and contribute to both the social security and the medicare program.

A few of Kentucky's public employees, such as members of the Kentucky Teachers Retirement System, some police officers and fire fighters, obtain medicare coverage by contributing only to the medicare program. These employees in Medicare Qualified Government Employment (MQGE), who are in positions not covered for full social security, are covered only for medicare if hired by their governmental employer after March 31, 1986. Other Kentucky governmental employers have chosen to include the services of all employees not covered for full social security under medicare (MQGE) coverage by executing a medicare-only section 218 agreement with the State Division of Social Security. These MQGE employees pay Medicare contributions on all annual wages at a tax rate of 1.45%, with the employer contributing an identical amount.

Two Parts of Medicare

The medicare program consists of two parts. Part A is Hospital Insurance and Part B is Supplemental Medical Insurance.

Part A of Medicare basically covers institutional services such as hospitals, skilled nursing homes, home health agencies and hospices. Part B primarily covers doctors' services, most outpatient hospital services, medical supplies and other related services.

Part A is financed primarily by the previously mentioned payroll taxes, both before and after becoming eligible for benefits. About 25% of Part B is financed by monthly premiums from those who enroll in the program and the remaining 75% by general revenues of the federal government.

Part A benefits are provided based on the workers' prior contributions from covered employment. Part B benefits are available only if a monthly premium is paid, of which about 95% of those eligible do.

Who is Eligible for Hospital Insurance Benefits?

You are eligible for benefits under Part A of Medicare if:

- you are age 65 or older and are also eligible for any type of monthly social security retirement benefit, or
- you are age 65 or older and a medicare qualified government employee, not covered for full social security, but who contributed only the medicare payroll tax, or
- you are under age 65 and have been entitled to social security disability benefits for at least two years, or
- you are under age 65 with chronic kidney disease that requires dialysis or a transplant.

Eligibility for Part A can be based on benefits as a retired worker, as a spouse of a retired or disabled worker or as a spouse of a deceased worker. You qualify even if you do not receive monthly social security retirement benefits because you or your spouse continues to work.

What Benefits Does Hospital Insurance Provide?

In addition to the basic benefits for inpatient hospital care, Part A provides benefits for skilled nursing facility care, home health services, care in psychiatric hospitals and hospice care. Usually, you must pay part of the costs of covered services. The amounts that you pay change each year, depending on increases in hospital costs. Some people carry additional private insurance, medicare supplement policies, to cover some or all the costs that medicare does not cover.

Persons not Insured for Medicare

Special rules apply to uninsured persons who are at least 65 but who are not eligible for Part A under the regular rules. Examples of these persons would be governmental employees who did not contribute social security or medicare taxes during their governmental work career or who do not qualify for coverage as a spouse. A public school teacher, covered by the Kentucky Teachers Retirement System, whose entire public service was performed at the same board of education would have been exempt from both social security and medicare. This teacher, unless qualifying for Part A as a spouse, would have to purchase Part A coverage by paying substantial premiums.

This fact sheet was designed to provide awareness of medicare benefits for Kentucky state and local government employees. This fact sheet should not be cited or used as authority with respect to obtaining medicare benefits. The Social Security Act, along with its regulations, rulings and case law, are the only valid citations of authority for benefit matters.

Contact the Social Security Administration at (800)772-1213 or your local Social Security District Office for additional information concerning medicare benefits. Contact the State Division of Social Security at (502)564-3952 for additional information concerning social security and medicare coverage for Kentucky governmental employees.